

191—73.4(75GA,ch158) Division duties—application—filing requirements—license—audits and examinations.

73.4(1) The division shall have the authority to regulate the establishment and conduct of a HIPC as set forth in this chapter.

73.4(2) A HIPC shall not operate in Iowa without an approved license from the division. An application form shall be completed and signed by an authorized representative of the HIPC sponsor and proposed HIPC administrator (if applicable). The completed application form shall be verified and filed at the division. An application will not be deemed to be filed until all information necessary to properly process the application has been received by the commissioner. Upon filing, the division will make its determination concerning the application and will provide notice of the determination to the HIPC. If approved, a copy of the approved license shall be provided to the HIPC sponsor. The license shall serve as the HIPC's authorization until the yearly renewal date. Any amendment to the license shall be filed in the same manner as the application and approved by the commissioner before the change proposed by the amendment is effective.

73.4(3) Each HIPC doing business in the state shall file with the division the following information or documents:

a. A business plan for approval by the commissioner as provided in rule 73.7(75GA,ch158). The business plan is a detailed, written plan of operations explaining how the proposed HIPC intends to meet the public policy objectives of reduced cost, increased access and improved quality. The business plan is a written commitment by the HIPC if approved. Failure to comply with the business plan is a basis for license suspension or revocation. Material changes in policy or operations are subject to the prior approval of the commissioner on the same basis as the original business plan.

b. Quarterly financial statements and annual reports on forms approved by the commissioner. Financial statements and annual reports are to ensure the operation of the HIPC in a fiscally sound fashion; to ensure the HIPC is not a risk-bearing entity; to ensure sound financial controls and money management; and to prevent mismanagement or misappropriation of funds either through neglect or malfeasance.

c. Reports of any material changes in the business plan or operation. The changes are subject to approval by the commissioner prior to implementation. The original business plan is the basis of licensure. Material changes in the business plan therefore require similar prior approval by the commissioner.

d. Any other information required by the commissioner deemed pertinent to the operation of a HIPC in the state. The specifics of a business plan, market conditions, enforcement cases, or other issues may make it necessary for the commissioner to gather additional information to make an informed decision in the public interest. Failure to provide requested information is a basis for denial, suspension or revocation of a license.

e. A HIPC shall not enter the market place until the commissioner has approved the business plan.

73.4(4) Financial and performance audits or examinations of the HIPC shall be conducted on a regular basis by the division. Failure to meet minimum standards in a financial or performance audit or examination is the basis for license denial, suspension or revocation, or other action to protect consumers. The commissioner may impose conditions on licensure such as, but not limited to, the removal and replacement of managerial or marketing staff or contractors to remedy compliance or performance problems.